

SINOCLOUD GROUP LIMITED
(Company Registration No.: 34050)
(Incorporated in Bermuda on 13 August 2003)

CLARIFICATION ANNOUNCEMENT

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of SinoCloud Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 29 September 2019 (“**Announcement**”) in relation to an interested person transaction entered into by Guiyang Zhongdian Gaoxin Digital Technologies Limited (“**Guiyang Zhongdian**”), a subsidiary of the Company, with 贵州中云宽带数据科技有限公司 (Guizhou Zhongyun Broadband Data Technology Limited) (“**Guizhou Zhongyun**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcement.

2. CLARIFICATION

The Board wishes to clarify that, subsequent to the Announcement, Zhang Dai informed the management of the Company (the “**Management**”) that its earlier computation of his effective interest in Guizhou Zhongyun (being 49%) was incorrect. Pursuant to further clarification with Zhang Dai, the Management noted certain miscommunication with Zhang Dai earlier, and that there was unintentional and inadvertent oversight in its calculation of Zhang Dai’s effective interest in Guizhou Zhongyun. Zhang Dai had informed that in January and April 2019, the shareholders of Guizhou Zhongyun had undertaken internal restructuring of their shareholdings, which resulted in Zhang Dai’s effective interest in Guizhou Zhongyun to change. However, there was no time that Zhang Dai’s effective interest in Guizhou Zhongyun had reached and/or exceeded 30% (“**Amended Disclosure**”), and was not 49% as set out in the Announcement. The Management and the Board had since reviewed the computation of Zhang Dai’s effective interest in Guizhou Zhongyun (together with relevant supporting documents on respective changes in shareholdings), and noted that the Amended Disclosure is in order.

In view of the Amended Disclosure, Guizhou Zhongyun is not considered as an associate of Zhang Dai and the 2019 Service Contract (which was renewed on 10 June 2019) will not constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules.

As at the date of this announcement, in view of the Amended Disclosure, there are no transactions (excluding transactions that are less than S\$100,000) entered into between the Group and any of its interested persons (including but not limited to Zhang Dai and his associates) for the financial period ended 30 June 2019 and the current financial year ending 30 June 2020.

3. STATEMENT BY THE AUDIT COMMITTEE AND THE BOARD

The Board and the Audit Committee of the Company (“**AC**”) is of the view that the Group has controls in place that would prompt announcements of IPTs to be made once the thresholds are triggered, and that the controls governing IPTs are effective. These controls include, as amongst others, the maintenance by the Executive Director and Chief Financial Officer of a list of Interested Persons (based on the declarations of the Directors) and the IPT register, which are submitted to the AC for review and approval on a quarterly basis. The AC will review and approve all interested person transactions to ensure that they are on normal commercial terms and on arm’s length basis and are not prejudicial to the interests of the Group and the minority shareholders in any way. The Board and the AC are satisfied that the Company has sufficient systems, procedures, controls and resources to comply with the Catalist Rules.

By Order of the Board
SinoCloud Group Limited

Chan Andrew Wai Men
Chairman and Chief Executive Officer
24 October 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.